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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/754,027	01/03/2001	Kathryn D. Coffman	243768037US	2032

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EXAMINER

CHENCINSKI, SIEGFRIED E

ART UNIT PAPER NUMBER

3628

DATE MAILED: 10/14/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/754,027

Applicant(s)

COFFMAN ET AL.

Examiner

Siegfried E. Chencinski

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 03 January 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-35 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 6/25/02.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

## DETAILED ACTION

### *Specification*

1. Applicant is respectfully requested to submit the reference referred to on page 14, line 31 through page 15, line 5 of the specification regarding a 'commodity "black belt" ("BB")', which is taken from Six Sigma Breakthrough Management Strategy Revolutioning the World's Top Corporations by M. Harry and R. Schroeder (Currency Press, 2000).

### *Claim Rejections - 35 USC § 103*

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 1 - 35 are rejected** under 35 U.S.C. 103(a) as being disclosed by Carlton-Foss (US Patent 6,647,373 B1) in view of Official Notice.

**Re. Claims 1, 3, 9, 10, 16-23, 28, 32 & 34**, Carlton-Foss discloses an electronic reverse auction method, system and storage medium operating over a public computer network connecting a buyer organization and bidders, a method, system and storage medium comprising:

- Processing and transmitting electronic reverse auction information (Col. 3, ll. 11-13).
- Use of a public network such as the world wide web (Fig's 2&3; Col. 3, ll. 56-57).
- Requestor and Requisition database and validation process (Fig. 5).
- Supplier/Bidder information, database and validation process (Fig's 5&7; Col. 3, ll. 54-57).
- Development of "short lists" of bidders (Col. 1, ll. 54-57).
- Requisition validator process (Fig. 5).

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- Requestor/Purchaser validation and database (Fig. 6).
- Displayable means and systems for providing relevant information to requestors and bidders before the bidding process (Col. 3, l. 36, 61-63).
- Electronically distributing new auction information to approved bidders over the public computer network after receiving the approval (Abstract – ll. 2-3, 4-5; Col. 3, ll. 20-23, 27).

Carlton-Foss does not explicitly disclose an electronic reverse auction method, system and storage medium in a public computer network connecting a buyer organization and at least first and second supplier computers associated respectively with first and second suppliers and each having a browser, wherein the first and second supplier computers are coupled to a set of one or more server computers associated with the buyer organization over the public computer network, a method comprising:

- at at least one server computer in the set of server computers, providing a supplier selection electronic form, wherein the supplier selection electronic form includes a search and retrieve supplier record input field for retrieving from a database of supplier records, and add supplier input fields for receiving data for creating a new supplier record;
- at at least one server computer in the set of server computers, receiving data input provided to the supplier selection electronic form, including input to the retrieve supplier record field to retrieve a first supplier record, and input to the add supplier input fields to create a second supplier record, wherein the first and second supplier records correspond to first and second suppliers proposed for inclusion in a new reverse auction to procure an identified item;
- at at least one server computer in the set of server computers, electronically providing to individuals in the buyer organization a displayable document that provides notification of the new reverse auction and lists the first and second proposed suppliers for approval.

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- at at least one server computer in the set of server computers, receiving input from at least one individual in the buyer organization that the first and second suppliers are approved for participating in the new reverse auction; and
- at at least one server computer in the set of server computers, electronically distributing new auction information to first and second supplier computers over the public computer network after receiving the approval.

However, the roles and uses of computer servers and the steps of creating electronic records and files through inputs, input fields and input forms, the segmentation of electronic records into categories, the transfer of records within and between organizations and related computer servers, the electronic validation and approval process by pre-authorized parties to the computer network and the distributing of electronic information on private and public networks with various security protections were all well known in the art at the time of Applicant's invention. It was also well known that buyer organizations, typically known as purchasing or procurement departments, are the typical approving members of suppliers and purchase requisitions, and that the personnel responsible for such approvals are known as buyers and purchasing/procurement managers, depending usually on dollar value level. Such approval authorization levels can go as high as to the President/CEO. Computer automated approval systems were also well known. It was also well known that, for all such explicitly required approvals, the lack of such approvals from required approvers served to prohibit such unapproved suppliers from participating in activities leading to the award of a purchase order for the commodity in question, or, to be barred entirely if the scope of approval prohibited any activity of such a supplier. Consequently, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have combined Carlton-Foss' disclosure with that of well known information in the art at the time of applicant's invention for the purpose of establishing an electronic reverse auction method, system and storage medium over a public computer network connecting a buyer organization and at least first and second supplier computers, motivated by the desire to make reverse auctions more manageable and to do so

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through a method and apparatus using the Web-based reverse auction (Carlton-Foss, Col. 1, l. 53; Col. 3, ll. 4-5).

**Re. Claim 2, 4, 5-8, 11, 14 & 29, 31,** Carlton-Foss discloses an electronic reverse auction method, system and storage medium wherein

- the public computer network is the World Wide Web (Fig's 2&3; Col. 3, ll. 56-57),
- the browser is a web browser, since a web browser is required for participation in the www.
- the supplier selection electronic form is a web page form stored in a central database coupled to at least one server computer in the set of server computers since web pages are required for participation in the www.
- the supplier selection electronic form includes a retrieve supplier record by supplier number input field and a retrieve supplier record by supplier name input field because such fields are necessary if supplier records are to be created and maintained.

Carlton-Foss does not explicitly disclose an electronic reverse auction method, system and storage medium wherein

- the add supplier input fields include a supplier name field, geographic pole field, country field, contact name field, contact phone number field, contact email field, at least one supplier approval field, prior business experience field and at least one field for identifying items capable of being supplied;
- receiving input from at least one individual in the buyer organization includes receiving approval from an auction owner that the first and second suppliers are approved for participating in the new reverse auction, receiving approval from a geographic pole representative that the first and second suppliers have sufficiently completed a self assessment paper, and receiving approval from a quality assurance individual that the first and second suppliers executed secrecy or intellectual property protection agreements; and
- at least one server computer in the set of server computers employs logic to prohibit the first or second suppliers from participating in the new reverse auction

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if the approvals from the auction owner, pole representative and quality assurance individual are not received.

However, it was well known in the art of supplier data management at the time of applicant's invention that supplier records included data elements such as a supplier name field, geographic pole field, country field, contact name field, contact phone number field, contact email field, at least one supplier approval field, prior business experience field and at least one field for identifying items capable of being supplied. It was also well known that members of purchasing organizations, such as buyers, would typically be responsible for owning reverse auctions for purchases within their assigned area of responsibility, which includes the approval of suppliers who would participate in reverse auctions, and that larger organizations engaging in global sourcing employed layers of crossover responsibility whose approval would also be required for reverse auctions involving bidders from their geographic responsibility, that suppliers were often asked to provide self assessment reports according to buyer organization guidelines, that quality assurance personnel also were frequently required to approve supplier selection and to provide oversight, and that suppliers were routinely asked to execute secrecy or intellectual property protection agreements with the prospective buying organizations.

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined Carlton-Foss' disclosure with that of well known information in the art at the time of applicant's invention for the purpose of establishing an electronic reverse auction method, system and storage medium over a public computer network connecting a buyer organization and at least first and second supplier computers, motivated by the desire to make reverse auctions more manageable and to do so through a method and apparatus using the Web-based reverse auction (Carlton-Foss, Col. 1, l. 53; Col. 3, ll. 4-5).

**Re. Claims 12 & 13**, Carlton-Foss discloses a system using electronic mail and the World Wide Web to communicate between a supplier/bidder and a buyer/customer. Both communications means are well known to be remotely accessible in secure ways via public computer networks. Storing electronic documents at one or more network

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locations is necessary for such a system (Col. 3, ll. 14-37). Electronically notifying first and second electronic mail messages to first and second individuals is obvious, since it is well known that such communications are conducted among individuals. Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined Carlton-Foss' disclosure with that of well known information in the art at the time of applicant's invention for the purpose communicating between and to individuals in an electronic reverse auction, motivated by the desire to make reverse auctions more manageable and to do so through a method and apparatus using the Web-based reverse auction (Carlton-Foss, Col. 1, l. 53; Col. 3, ll. 4-5).

**Re. Claims 15**, Carlton-Foss does not explicitly disclose a system wherein the server computer is further operable to provide automatic supplier approval after a select time period passes without receiving approval from the at least one individual. However, automatic supplier approval after a select time period has passed was well known in the art at the time of Applicant's invention. Such automatic approval is part of the practice of exception based management which has typically been used for the higher volume of lower value transactions. Such a practice has as it's motivation the conservation of expenditures of human resources where it is judged that a high percentage of suppliers will be approved, and the cost of mistakenly approving such suppliers is cumulatively smaller than the cost of proactively acting on a high volume of such suppliers, i.e. a proactive approval effort is seen as a low or negative return activity for the total volume of transactions, and the automatic approvals system is seen as a low risk process.

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined Carlton-Foss' disclosure with that of well known information in the art at the time of applicant's invention for the purpose efficiently managing supplier approvals in an electronic reverse auction, motivated by the desire to make reverse auctions more manageable and to do so through a method and apparatus using the Web-based reverse auction (Carlton-Foss, Col. 1, l. 53; Col. 3, ll. 4-5).

**Re. Claims 24**, the disclosure by Carlton-Foss obviously contains computer-readable media in logical nodes of a computer network receiving contents in order to perform its functions.



**Re. Claims 25**, it is obvious that the disclosure by Carlton-Foss can make use of computer-readable media which are computer-readable disks because computer readable disks have been a mainstay for memory storage for decades.

**Re. Claims 26**, the disclosure by Carlton-Foss contains computer-readable media wherein a data transmission medium is transmitting a generated data signal containing the contents because this is how electronic data transmission is accomplished.

**Re. Claims 27**, it is obvious that the disclosure by Carlton-Foss can make use of computer-readable media wherein a medium is a memory of a computer system because memory is a component of a computer system of this kind.

**Re. Claims 30**, the disclosure by Carlton-Foss contains computer-readable media wherein the data structure includes instructions for the display of the information because this is how computer generated displays are produced in such a system.

**Re. Claims 33**, the disclosure by Carlton-Foss contains computer-readable media wherein the data structure is a data transmission medium transmitting a generated data signal containing the data structure because this is how electronic data transmission is accomplished.

**Re. Claims 35**, Carlton-Foss discloses a system which electronically distributes new auction information to approved bidders over the public computer network after receiving the approval (Abstract – ll. 2-3, 4-5; Col. 3, ll. 20-23, 27).

Carlton-Foss does not explicitly disclose a means for receiving input from an auction owner or buyer that at least one of the first and second suppliers are approved for participating in a new reverse auction, and receiving input and approval from a geographic pole representative that at least one of the first or second suppliers have sufficiently completed a self assessment or from a quality assurance individual that at least one of the first or second suppliers executed protection agreements; and However, it was well known at the time of Applicant's invention that members of purchasing organizations such as buyers would typically be responsible for owning reverse auctions for purchases within their assigned area of responsibility, which includes the approval of suppliers who would participate in reverse auctions for such

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purchases, and that larger organizations engaging in global sourcing employed layers of crossover responsibility whose approval would also be required for reverse auctions involving bidders from their geographic responsibility, that suppliers were often asked to provide self assessment reports according to buyer organization guidelines, that quality assurance personnel also were frequently required to approve supplier selection and oversight, and that suppliers were routinely asked to execute secrecy agreements and/or intellectual property protection agreements with the prospective buying organizations.

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined Carlton-Foss' disclosure with that of well known information in the art at the time of applicant's invention for the purpose of establishing an electronic reverse auction system, providing a multifunctional oversight and approval process of prospective suppliers in the buyer organization, obtaining secrecy and/or IP agreements and transmitting related information over a public computer network connecting a buyer organization and supplier computers, motivated by the desire to make reverse auctions more manageable and to do so through a method and apparatus using the Web-based reverse auction (Carlton-Foss, Col. 1, l. 53; Col. 3, ll. 4-5).

### ***Conclusion***

3. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Hyung S. Sough, can be reached on (571) 272-6799.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

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Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

*Commissioner of Patents and Trademarks, Washington D.C. 20231*


or (571)273-8300 [Official communications; including After Final communications labeled "Box AF"]

(571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

September 30, 2005

  
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PRIMARY EXAMINER  
Au 3628